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C O N F I D E N T I A L SECTION 01 OF 02 BRASILIA 000430

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E.O. 12958: DECL: 01/11/2017

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SUBJECT: BRAZIL: U/S BURNS MEETING WITH PRESIDENTIAL
FOREIGN POLICY ADVISOR MARCO AURELIO GARCIA

Classified By: POLITICAL COUNSELOR DENNIS HEARNE. REASONS: 1.4 (B)(D).

11. (C) Summary. U/S Burns and WHA A/S Shannon, in Brasilia for strategic dialogue talks with the Brazilian Foreign Ministry (MRE), joined with Ambassador, PolCounselor and S/P officer William McIlhenny to meet on February 7 with Marco Aurelio Garcia, President Lula da Silva's international affairs advisor. Garcia was accompanied by his senior deputy, Marcel Biato. U/S Burns provided an overview of the transition in USG global strategy toward focus on building relations with regional powers like Brazil, and noted the importance of collaboration on bio-fuels to this relationship. Brazilian views on developments in the region and Cuba also were focal points of the discussion. In the region, Garcia said there is a consensus on integration among disparate but democratically elected governments that facilitates communication and limits conflict. Brazil does not admire Hugo Chavez's political model, but needs to pursue good relations with Venezuela as part of a foreign policy driven by Brazil's vital interests and domestic economic priorities. In Cuba, it is clear Fidel is fading rapidly and permanently, but transition scenarios are hard to predict. The largest step the U.S. could take to encourage a peaceful transition to democracy would be elimination of sanctions, Garcia said. End summary.

THE REGION

12. (C) U/S Burns outlined for Garcia the ongoing shift in USG strategic focus away from a Europe and toward increased engagement with major and emerging regional powers, including Brazil. U.S.-Brazil cooperation in Haiti and the promising bilateral collaboration on bio-fuels are building blocks for this enhanced relationship. The USG also values Brazilian insights on regional affairs. In that context, U/S Burns invited Garcia to share his views on developments in the region, especially in Venezuela, Bolivia and Cuba -- all countries

Garcia has visited frequently as Lula's special envoy.

¶3. (C) Garcia said South America has been undergoing a major transformation in the past several years, with democratically elected governments seeking economic recovery and growth, while also addressing grave social problems. There has been at least a general consensus in the region on the importance of integration, and that has permitted countries with disparate political situations and ethnic cultures to work together on many issues. While there is still conflict, communication is more the norm, Garcia said.

¶4. (C) With Venezuela, Brazil has worked to maintain a positive dialogue, focusing on points of convergence, e.g., joint projects in infrastructure and energy. On the political level, "We do not agree with Chavez's path, and it is not the one we chose," Garcia declared, echoing a similar statement made by FM Amorim in a meeting with U/S Burns earlier in the day. That said, Garcia said it needs to be recognized that "Chavez is a product of Venezuela's crisis, not its cause."

¶5. (C) Brazil's relationship with Argentina is "strategic," and is analogous in some ways to the Franco-German relationship in Europe -- i.e., sometimes tense, but crucial for regional stability and progress. Relations with Chile are similarly important and growing, Garcia said, as are Brazil's relations with Colombia. Indeed, Brazil is practicing "variable geometry diplomacy" in the region, adjusting and shifting constantly to build and exploit opportunities in a foreign policy that is still

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mainly driven by domestic priorities, he added.

CUBA

¶6. (C) Turning to Cuba, Garcia noted that his deputy advisor, Marcel Biato, had just returned from five months as Brazil's charge d'affaires in Havana, and his views were incorporated in Garcia's perspective. Garcia said the GOB believes it is highly unlikely Fidel Castro will ever return to exercise real power. The waning of Fidel over the past year had caused the Cuban population to begin contemplating a different future, but everyone has difficulty imagining what that future will look like, Garcia said. Cuba, in the past forty years, had a system built on a single charismatic figure, and that is not sustainable. Raul Castro is not his brother and seems more inclined to take a committee approach to leadership that is pragmatic, at least on economic issues. Garcia was doubtful Cuba can replicate the "China model" with economic opening but continued centralized political control. "China is a civilization, Cuba is not... they do not have the patience, resources or organization" to emulate China's approach," he opined. Moreover, Cuba today lacks an "economic vocation," and has not been able to place its tourism industry, its medical capacity or its bare handful of other productive sectors into a strategy for productivity or increased self reliance. Brazil wants to help, and is offering to provide both assistance and markets for Cuba, but the Cubans have to define a direction for themselves, Garcia said.

¶7. (C) Asked by U/S Burns about Brazil's views on Chavez's role in Cuba's transition, Garcia said that Cuba and Venezuela in the near term are mutually dependent (i.e., "oil exchanged for expertise"), but Fidel's passing will leave a vacuum Chavez will try to fill. However, Chavez's brand of strident populism "has less space to grow in Latin America than you may think," Garcia said, and could be curtailed if Cubans perceived other openings -- especially if the U.S. lifted sanctions on their economy. This would be the single biggest step the U.S. could take in easing

the transition in Cuba toward a positive direction, Garcia opined. Conversely, the U.S. needs to avoid public recommendations to Cubans about their political future, since Cubans' traditional nationalism and sensitivity to U.S. influence assure negative reactions.

18. (C) A/S Shannon said the United States has tried to assume a careful, low-key position in public on the Cuban transition, but the U.S. believes that others in the region need to speak out for democracy there. If a transitional government could take certain concrete steps -- e.g., release of political prisoners -- the positive reaction within the U.S. would be considerable. But someone other than the U.S. must pressure Cuban leaders toward such actions, he said.